STAND. COM. REP. NO. 2340

Honolulu, Hawaii

FEB 1 3 2014

RE: S.B. No. 2702

S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2702 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the authorization of the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for an additional five years for the purpose of design and construction of a seawater air conditioning district cooling system in downtown Honolulu.

Your Committee received testimony in support of this measure from Honolulu Seawater Air Conditioning and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the downtown Honolulu seawater air conditioning project will service approximately 14,000,000 square feet of downtown building space. In addition to the compelling environmental and renewal energy benefits associated with deep water cooling, the project will generate close to \$250,000,000 in construction spending and create more than 1,500 construction jobs from 2014 through 2016. This project will also establish Hawaii as a leading authority on the development and installation of seawater air conditioning systems throughout the Asia-Pacific region.

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Your Committee has amended this measure by:

- (1) Deleting language that would have authorized the Department of Budget and Finance to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, subsequent to June 30, 2019; and
- (2) Inserting an effective date of June 29, 2014.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2702, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy and Environment,

MIKE GABBARD, Chair

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* Committee Referral: Date: 2/11/14				
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)				
RUDERMAN, Russell E. (VC)				
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les				\times
SLOM, Sam				X
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TOTAL	3			2
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

^{*}Only one measure per Record of Votes